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SECURITY INFORMATION

CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

2 November 1951

SUBJECT: TERMS OF REFERENCE: NIE-50: THE CURRENT SITUATION AND
PROBABLE DEVELOPMENTS IN EASTERN GERMANY THROUGH 1952.
(for Board consideration)

THE PROBLEM

To estimate the current situation and probable political,
economic and military developments in Eastern Germany through 1952.

ASSUMPTIONS

1. That there will not be general war within the period of the estimate.
2. That the rearmament of Western Germany and the integration of Western Germany into the Atlantic community will begin within the period of the estimate.

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A. THE CURRENT POLITICAL SITUATION AND PROBABLE POLITICAL DEVELOPMENTS.

1. The Current Political Situation.

- a. Describe the present political organization of Eastern Germany.
- b. What degree of popular support does the present government enjoy? Has this popular support increased or decreased since 1949? Could the present government remain in power if all or a part of the Soviet forces stationed in Eastern Germany were withdrawn?
- c. Are any groups of Eastern Germans especially susceptible to the present regime's program (e.g., women, former Nazis, religious groups, industrial workers)?
- d. How effective has the regime been in winning the active support of the Eastern German youth for its program and policies?
- e. With what effectiveness have the Eastern German regime and the Kremlin succeeded in recruiting and training skilled and reliable Eastern German administrators?
- f. Which political parties or groups are still allowed legal existence? What connections do these groups maintain with political organizations in Western Germany and what is the significance of these relations?

-2-

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- g. Do the present Eastern German Communist leaders have influence over Soviet policy in Eastern Germany, in Germany as a whole, or in Europe as a whole?
- h. Do Eastern German Communist leaders have more or less power, influence, and prestige within the Orbit than the leaders of other Satellites? Is there any evidence that German technicians, administrators, and officers are being assigned roles in other Satellite countries?
- i. What is the present degree of Soviet control and with what instruments and techniques is it exercised?
- j. Is there any likelihood that the Kremlin's ability to assure the stability and loyalty of the present regime will be shaken?

2. Troublesome Issues and Forces.

a. Hazards to Soviet Control.

- 1. How effective have the Kremlin and this Satellite regime been in coping with traditional attitudes and issues which in the past have created hostility in Germany towards Russia and the USSR?
- 2. How effective have the Kremlin and this Satellite regime been in controlling dissatisfaction among the Communists and among the population generally in

-3-

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Eastern Germany because of more recent decisions: the transfer of the territory east of the Oder-Neisse, to Polish and Soviet sovereignty; the failure of the USSR to return all German prisoners; the elimination or frustration of opposition parties; reparations; general Soviet exploitation of Eastern Germany?

3. Has the SED shown the capability of attracting/ potential leaders
4. In which groups and areas is discontent centered?
Are any religious or other groups of especial significance as foci of potential opposition?

b. Berlin and Western Germany.

1. What is the effect in Eastern Germany of the presence of Allied forces in Berlin and of greater freedom in the Allied sectors of Berlin?
2. What will be the effect on Soviet control and on Soviet ability to exploit Eastern Germany of each of the following?
 - a. The beginning of Western German rearmament.
 - b. The growing integration of Western Germany into the Atlantic community.
 - c. A change of the present balance of forces in Europe.

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c. The Unity Issue.

1. What has been the effect in Eastern Germany of the campaign for German unity?
2. Is there any evidence and is there any likelihood that the Kremlin will relax in any way its present control over Eastern Germany in order to hamper or prevent the Western program for the rearmament of Western Germany and the integration of Western Germany into the Atlantic community?
3. Is there any indication that the USSR will conclude a unilateral peace treaty with Eastern Germany? What are the advantages and disadvantages to the USSR of such a treaty?
4. What actions could the Kremlin take to influence the West and Western Germany on the issue of German unity which would not involve weakening Kremlin control over Eastern Germany?

B. THE CURRENT ECONOMIC SITUATION AND PROBABLE ECONOMIC DEVELOPMENTS.

1. Economic Resources and Productive Capabilities.

- a. What is the present size of the population of Eastern Germany?
- b. Describe the economic resources and productive capa-

SECRET

bilities of Eastern Germany, with especial reference to the skills and morale of the population, the trend of population development and location, availability of important raw materials, transportation facilities, industrial productive capacity, and principal agricultural and industrial products.

2. The Soviet Program.

- a. What is the Soviet long-term program for Eastern Germany and what role is Eastern Germany scheduled to play in the Orbit economy?
- b. What are the main goals of the present Five Year Plan? Have these goals been revised since they were first announced?
- c. What proportion of Eastern Germany's economic resources and productive capabilities are now allocated to the following?
 1. Uncompensated deliveries (reparations and others).
 2. Production of military equipment for the Orbit.
 3. Capital investment.
- d. Are there any indications that the capital investment program designed to increase the productive capacity of Eastern Germany has been, or will be, sacrificed or seriously altered to achieve greater immediate war readiness?

-6-

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- e. Do Soviet long-term and immediate plans for the Eastern German economy provide any indications concerning Soviet intentions towards Germany as a whole?

3. The Organization of the Eastern German Economy.

- a. Which segments and what proportion of the economy have been nationalized? How are these nationalized industries organized and operated?
- b. Which industrial facilities are presently owned by the USSR? How important are the Soviet-owned industries in helping to maintain Soviet control over Eastern Germany and in helping to maintain the flow of Eastern German contributions to the USSR? How are these industries administered?
- c. Which segments of the economy remain under private ownership and management? Is there any evidence concerning the time at which nationalization of trade and industry is scheduled to be completed?
- d. What percentage of arable land has been organized in each of the various types of collective? How significant is the production of these collectives for current Eastern German consumer consumption, for stockpiling, for supply to the Soviet occupying forces, for export to other areas of the Orbit?

SECRET

- e. Is a sharp increase in the rate of collectivization likely within the period of this estimate?

4. Soviet Economic Benefits.

- a. What are the principal economic contributions of Eastern Germany to the Orbit war economy?
- b. Are any of Eastern Germany's raw materials or fabricated products critical, or even vital, for either the maintenance or expansion of military production in (a) the USSR, (b) the remainder of the Orbit, (c) Western Germany, (d) other areas not under Soviet control?
- c. Which supplies are provided the Soviet forces stationed in the Satellites by Eastern Germany and which by other Satellites?
- d. What finished military equipment does Eastern Germany ^{the} manufacture for the USSR, its own armed forces and/or other Satellites?
- e. Is the USSR building stockpiles of materials and equipment in Eastern Germany?

5. The Foreign Trade Pattern.

- a. What has been the pattern of Eastern Germany's foreign trade since 1945?
- b. What has been the estimated amount of overt and covert trade with Western Germany annually since 1945?

-8-

SECRET

SECRET

- c. What is the significance of East-West trade for the maintenance and expansion of the Eastern German economy?
- d. To what degree has the Soviet effort to integrate the Eastern German economy into that of the USSR been a success?
- 6. Limitations on Eastern Germany's Economic Capabilities.
 - a. What are the principal limitations on the Soviet program to maintain and expand the productive capacity of the Eastern German economy?
 - b. What are the principal Eastern German vulnerabilities to economic warfare?
 - c. Which critical raw materials and capital equipment are provided Eastern Germany by the USSR and by the other Soviet Satellites?
 - d. Could the USSR provide Eastern Germany with adequate supplies of iron ore should Sweden cease deliveries of its high-grade ore? What would be the economic cost to the USSR of such a shift? How long would Eastern German production of steel be reduced seriously by a shift to lower-grade Soviet ore?
 - e. Which raw materials, finished equipment, and spare parts are obtainable now only from the West? Which of these are critical and which are vital to the maintenance of the Eastern German economy? To the planned expansion of the economy?
 - f. Have defections been a serious blow to the Soviet program for Eastern Germany? Which industries have been

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most seriously harmed? Is the current rate of defection likely to continue?

- g. Will a serious manpower shortage be caused by the planned industrial expansion, the creation of an Eastern German army, and continuing defection?
- h. Is effective resistance to any future increase in the rate of collectivization likely? Would other forces of opposition against the government ally with this resistance to challenge Soviet control over Eastern Germany?

C. THE CURRENT MILITARY SITUATION AND PROBABLE MILITARY DEVELOPMENTS.

1. The Eastern German Ground Forces.

- a. What is the present status - size, organization, training, morale, reliability, and equipment -- of the Alert Police?
- b. Why has the Kremlin been slow in converting this "police force" into an Eastern German army?
- c. How long would be required for the Kremlin to convert this force into a loyal, efficient ground force of 300,000 men? Is there sufficient manpower of military age for an army of this size?
- d. What has been the effect of the "Peace campaign" and of

-10-

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the attack upon the rearmament of Western Germany upon the morale of the Alert Police?

- e. How many German PW's remain now in the USSR? Is there any evidence that these prisoners are organized, or could be organized, into an effective, reliable German armed force or could be added to an expanded and reorganized Alert Police?

2. The Eastern German "Air Force".

What is the present status of the Eastern German air force? How much time would be required for the establishment of a skilled and reliable air force?

3. The Eastern German Navy.

- a. What is the present status of the Eastern German naval forces?
- b. Are there any indications of Soviet plans for improving and enlarging these forces?

4. Soviet Forces Stationed in Eastern Germany.

- a. Has there been any significant change in the size, quality, or capabilities of the Soviet forces stationed in Eastern Germany?
- b. Is there any evidence that the withdrawal of all or a part of these forces is contemplated?

-11-

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- c. Has the USSR made any significant improvement in transportation facilities in Eastern Germany, particularly beyond the needs of the present forces?

D. ADDITIONAL INDICATIONS OF SOVIET INTENTIONS.

1. Does Eastern Germany's failure to have mutual defense agreements with the USSR and with the other Satellites have any significance?
2. Has there been any indication of a shift or revision in emphasis in either Soviet long-term or immediate objectives for Eastern Germany and for Germany as a whole?
3. Do Soviet policy or shifts in Soviet policy in Eastern Germany provide any indication concerning Soviet intentions in the immediate or long-term future?

-12-

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5. How many German PW's remain now in the USSR?
Is there evidence that these prisoners are organized, or could be organized, into an effective, reliable German armed force or could be added to an expanded and reorganized Alert Police?

B. The Eastern German "Air Force"

1. What is the present status of the Eastern German air force?
2. Could a skilled and reliable air force be created by the end of 1952? Are there indications that such a program is contemplated or in progress?

C. The Eastern German Navy

1. What is the present status of the Eastern German naval forces?
2. Are there indications of Soviet plans for improving and enlarging these forces?

D. Soviet Forces Stationed in Eastern Germany

1. Have there been significant changes in the size, quality, or capabilities of the Soviet forces stationed in Eastern Germany?

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2. Is there evidence that the withdrawal of all or a part of these forces is contemplated?
3. Has the USSR made significant improvements in transportation facilities in Eastern Germany, particularly beyond the needs of the present forces?

IV. ADDITIONAL INDICATIONS OF SOVIET INTENTIONS

1. What is the significance of Eastern Germany's failure to have mutual defense agreements with the USSR and with the other Satellites?
2. Have there been indications of a shift or revision in emphasis in either Soviet long-term or immediate objectives for Eastern Germany and for Germany as a whole?
3. Do Soviet policy or shifts in Soviet policy in Eastern Germany provide indications concerning Soviet intentions in the immediate or long-term future?
4. Are there other indications of Soviet intentions regarding Eastern Germany?

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